

# **AARTI PHARMALABS LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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- **REGULATORY FRAMEWORK**

The Companies Act, 2013 ('Act') together with the rules notified thereunder and Schedule VII to the Act and circular(s) and notification(s) issued by the Ministry of Corporate Affairs ('MCA'), from time to time, provides a framework for companies to define the focus areas in the space of Corporate Social Responsibility ('CSR'). The Corporate Social Responsibility Policy ('Policy') of Aarti Pharmed Labs Limited ('APL'/ 'Company') shall therefore remain within the boundary set by the law.

- **APPLICABILITY**

The Policy shall apply to all CSR projects/programs undertaken by the Company in India as per Schedule VII of the Act.

- **CSR GUIDING PRINCIPLES**

As an integral part of our commitment to good corporate citizenship, the Company believes in giving back to the community and is of the opinion that the progress of the poor and deprived sections of the society should go hand-in-hand with the growth of the Company.

With this guiding principle, we are determined to contribute towards the development of the Society and have formulated the **"CSR Policy"**.

Given below is a synopsis of the CSR obligations of APL:

| Sr. No. | CSR Project or Activity identified | Sector in which project is covered | Project Programs<br>1. Local area/others<br>2. Specify the state/ District<br><br>Name of the districts/states where project/program undertaken | Amount spent: Direct/Implementing Agency |
|---------|------------------------------------|------------------------------------|---|--|
|         |                                    |                                    |   |  |

- **CSR BUDGET**

I. The CSR policy will be maintained by the CSR Committee constituted by the Board and CSR policy will be monitored by the CSR Committee.

II The Board of Directors of the Company shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

“Net profit” means the net profit as per the financial statement of the Company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and
- (ii) Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

III. If the Company spends an amount in excess of the requirements provided as per the Act, the Company may set-off such excess amount against the requirement to spend for such a number of succeeding financial years and in such manner as may be prescribed by Law.

IV. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by APL as specified in Schedule VII to the Act.

- **Validity of CSR policy**

- I. The Company’s CSR Policy has been approved by the Board on October 17, 2022.
- II. The CSR policy may be amended as required by the Board after recommendation by the CSR Committee.

- **CSR Committee**

The composition of CSR committee is as follows:

1. Smt. Hetal Gogri Gala, Chairperson,
2. Shri Rajendra Gogri, Member,
3. Smt. Jeenal Savla, Member,
4. Shri Vilas Gaikar, Member

- **The CSR Committee will carry out the following functions:**

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
2. Recommend the amount of expenditure to be incurred on the activities;
3. Monitor the CSR Policy of the Company from time to time;

4. Reviewing and approving annual budgets with respect to CSR programs;
  5. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report.
- CSR Policy has been drafted keeping in view the activities specified in Schedule VII of the Act or which would cover subjects enumerated in Schedule VII of the Act. While formulating the Policy, preference has been given to local area or areas around which the company operates.
  - There are no CSR projects or programs planned which would directly or indirectly benefit only the employees of the company and their families.

## **CONCLUSION**

APL shall strive to bring innovation to CSR initiatives and optimize their effectiveness while seeking to create a measurable impact of our CSR activities. The Company is committed to bring meaningful and sustainable development.